

REPORT OF THE CHAIRMAN OF THE FINANCE COMMITTEE TO COUNCIL

Thanks are due once again to David Eustace, John Philpott and the ECF Office for their sterling work on the financial front since my last report. The membership scheme is now well established, the question of the future location of the ECF Office has at long last been settled, a new Office Manager has been appointed, the ECF, BCF and Chess Centre accounts are up to date, and a budget for 2015/2016 has been proposed which incorporates a longer term ambition for the ECF's financial position, which involves in particular building up the ECF's financial resources from the threadbare state of affairs which currently pertains. If the ECF is to undertake initiatives that actually develop English chess as opposed to the constant fire-fighting which seems to go on at present, this last point is particularly important in an economic climate in which sponsorship has all but dried up and the ECF needs to look to its own devices until such sources of funds become available again (if of course they ever do).

However, if the ECF Board intends to ask Council to sign off additional financial firepower in the budget, it behoves the ECF Board to improve significantly its own standards of behaviour and governance to justify the trust placed in it by Council. In this regard, I would like to record my disappointment at the Board's apparent inability to communicate regularly and on a timely basis with its constituency, the apparent reluctance of certain directors to work with other directors on a collegiate basis, and the sketchiness and lack of depth in the Board's recently published strategy statement. On the other hand, and just as importantly, if the ECF Board can address these shortcomings, it behoves Council to place its trust in the directors it has appointed, let them get on with the job in hand, and resolutely resist the impulse to micromanage operational matters which are more properly within the gift of its Board. The time for Council to interfere is at the annual AGM by refusing to re-elect directors who have been asleep at the wheel. In all of this, however, we need to bear in mind that whether we are ECF directors, ECF officials or members of Council, we are all volunteers who are in the main trying to do the best we can with the resources available to us. We do not live in a perfect world, and should maybe on occasion be a little more forgiving of each other.

Areas which David Eustace, John Philpott and I have agreed need to be addressed this coming year include the following:

1. I continue to have some residual concerns about the timeliness and completeness of game fee billing, and would like to see robust controls implemented in this area to ensure that the ECF invoices and collects all the income that is due to it.
2. Although a list of accounting procedures has been produced and a start to fully documenting those procedures has been made, a full accounting manual (as a subset of properly documented general office procedures) now needs to be produced.
3. Now that the records from which management accounting information can be produced is now in a much better state, further work is now needed to develop the reporting package that will provide the most appropriate information at a detailed level to individual directors, and at a high level to the Board as a whole.
4. Consolidated accounts need to be produced which pull together the various parts of the "empire". This is becoming even more important as, welcome though the establishment of The Chess Trust is, this introduces yet more fragmentation. The figures in the standalone ECF accounts are open to misinterpretation if, for example, it is not properly appreciated that what appears as "income" is in some cases in effect no more than a transfer from the PIF, JRT or in future Chess Centre Ltd. We need consolidated financial statements which give a true representation of how we are really doing financially.
5. The ECF's regulations as they relate to financial matters need to be reviewed, as these were written some time ago, and I have agreed that the Finance Committee will work with David and John on this.
6. After all his good work on keeping the good ship ECF afloat (at least from the financial perspective) in the recent past, John now needs to revert to his intended role of reviewing and challenging the transactions that pass through the books instead of being directly processing the transactions in the first place. This will reintroduce a very welcome extra level of control to the ECF's financial environment.